No. 71561-T

TEMPORARY

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office AUG 13 2004	
Returned to applicant for correction	
Corrected application filed	
Map filed	
The applicant Florida Canyon Mining, Inc. hereby make application for permission to char Point of Diversion, Place of use of a portion of water heretofore appropriated under Pe 61644 (PW-7) ***********************************	nge the
1. The source of water is Underground	
2. The amount of water to be changed 0.34 C.F.S. or 80 M.G.A.	
3. The water to be used for Mining, Milling, and Domestic	
4. The water heretofore permitted for Mining, Milling, and Domestic	
5. The water is to be diverted at the following point (Sump) SW1/4 SW1/4 Section 2, 7 R.33E., M.D.B.&M. or at a point which the SW corner of said Section 2 bears S.74°17'4 a distance of 967.4 feet.	Г.31N., 43" W.
6. The existing permitted point of diversion is located within NE¼ NW¼ (Lot 2) Sec T.31N., R.33E., M.D.B.&M. or at a point from which the SW corner of said Section 3 S.23°15' W. a distance of 4,460 feet. (Production Well-7 (PW-7))	tion 3, , bears
7. Proposed place of use Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 37, 38, 39, R.33E., M.D.B.&M. and Sections 33, 34, and 35, T.32N, R.33E., M.D.B.&M.	Г.31N.,
8. Existing place of use Sections 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38, 39, T.31N. l M.D.B.&M. and a portion of S½ Section 34, T.32N., R.33E. M.D.B.&M.	R.33E.,
9. Use will be from January 1 to December 31 of each year.	
10. Use was permitted from January 1 to December 31 of each year.	
11. Description of proposed works Water is pumped from a sump to a storage tank for dust suppression and other mining activities. Water will be metered before use.	use in
12. Estimated cost of works (\$10,000) ten thousand dollars	
13. Estimated time required to construct works Completed – sump pumps water out of storage tank for future use.	pit to a
14. Estimated time required to complete the application of water to beneficial use One Year	
15. Remarks: 80,000,000 gallons estimated for annual consumptive use. This chan provide a more uniform distribution of allocated water from both wells and promstability and safety.	
By Steven C. Hansen s/Steven C. Hansen (Agent) P.O. Box 330 Imlay, Nevada 89418 Compared sg/ dr ag/sam	

Protested___

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This temporary permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 61644 is issued subject to the terms and conditions imposed in said Permit 61644 and with the understanding that no other rights on the source will be affected by the change proposed herein. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 48997, Certificate 13237; 48998, Certificate 13238; 48999, Certificate 13239; 49931, Certificate 13240; 50061, Certificate 13953; 50248, Certificate 14448; 53342, Certificate 13245; 57096; 57097; 57098; 61203; 61643; 61644; 61707; and Temporary Permits 71356-T; 71393-T; 71394-T; 71395-T; 71396-T; 71397-T; 71398-T; 71399-T and 71561-T shall not exceed 787 million gallons annually.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records will be kept of the following: the volume of water pumped from each well, the volume of water consumptively used for mining and milling purposes projectwide and the amount of water used for reclamation purposes. These records will be submitted within 15 days after the end of each month along with the water level (static or pumping) of each permitted well with the pumping report.

(CONTINUED ON PAGE 3)

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on **November 1, 2005** at which time all rights herein granted shall revert to the right being changed by this temporary permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.34 cubic feet per second, but not to exceed 245.5 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

Proof of completion of work shall be filed on or before:

Water must be placed to beneficial use on or before:

Proof of the application of water to beneficial use shall be filed on or before:

Map in support of proof of beneficial use shall be filed on or before:

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 2nd day of November, A.D. 2004

State Engineer

EXPIRED
DATE NOV 0 1 2005